



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

October 15, 2008

Transmitted electronically.

Andy Billings, Vice-President, EA University  
Electronic Arts, Inc.  
250 Redwood Shores Parkway  
Redwood City, CA 94065

Dear Mr. Billings:

RE: FINAL REPORT for Electronic Arts, Inc. – ET06-0253

<b>Date of Final Desk Audit:</b>	9/30/08 (Final review done via desk audit because adequate sample of rosters were reviewed at previous visits).
<b>Date Training Began:</b>	11/07/06
<b>Persons involved in project administration:</b>	Paul Parquer, EA contact person for ETP; John Twomey of Integrated Solutions (administrative subcontractor); and Diane Woodside, ETP Analyst
<b>Action Required:</b>	<b>NO</b>

## CONTRACT INFORMATION:

<b>Term of Agreement:</b>	04/05/06 – 04/04/08	<b>Agreement Amount:</b>	\$692,900
<b>Training Start Date:</b>	4/5/06	<b>No. to Retain:</b>	1,025
<b>Date Training must be Completed:</b>	<b>01/04/08</b>	<b>Range of Hours Per Trainee:</b>	24 - 200
<b>Type of Trainee:</b>	Retrainee	<b>Weighted Ave. Hours Per Trainee:</b>	52

**BACKGROUND:** This Priority Industry single employer retraining project to retrain employees at Electronic Arts, Inc. was approved at the March 2006 Panel meeting. This project was referred to the Panel by the California Manufacturers and Technology Association. Founded in 1982, Electronic Arts (EA) develops, markets, publishes, and distributes interactive video games that are playable by consumers on the following platforms: home videogame machines, personal computers, hand-held game machines and on-line over the Internet. EA proposal was approved to retrain 1,025 of its California workers in advanced technologies and high performance workplace principles to secure its status as a market leader and retain its employees.

SACRAMENTO CENTRAL OFFICE  
1100 J Street, 4<sup>th</sup> Floor  
SACRAMENTO, CA 95814  
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE  
4640 Lankershim Blvd., Suite 311  
NORTH HOLLYWOOD, CA 91602  
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE  
1065 East Hillsdale Blvd, Suite 415  
FOSTER CITY, CA 94404  
(650) 655-6930

SAN DIEGO REGIONAL OFFICE  
5353 Mission Center Road, Suite 110  
SAN DIEGO, CA 92108  
(619) 686-1920

### **FINAL REPORT SUMMARY:**

The Agreement was executed on 05/04/06 and training started on April 5, 2006, the first date of the Agreement term. The last date of training was 12/14/07 which allows for the completion of the 90-day retention period within the term ending date of the Agreement. The fiscal close-out invoice has been submitted and approved by the Panel's Fiscal Unit. EA retained a total of 314 trainees for total reimbursement of \$169,216 (24 percent of the total Agreement amount).

An administrative subcontractor, Integrated Solutions, performed all activities related to entering enrollment data and class/lab hours into ETP's on-line system.

**HISTORY OF AGREEMENT CHANGES:** There were no revisions made to the Agreement.

### **COMPANY'S RESPONSE TO FINAL VISIT QUESTIONS** (Responses received via email)

Electronic Arts  
Final program questions  
October 02, 2009

- What barriers, if any, did your company experience in implementing your ETP project?

#### **Program content restrictions**

As the program evolved, we found that certain management development programs that we thought would originally be eligible for reimbursement were later disallowed. We often include use of EA management practices and tools as part of our training on such practices as Performance Management, Talent Planning, etc. Since these included EA specific content on our practices, they were not reimbursable.

We often deliver training programs to groups of employees larger than the instructor/participant ratio. In some cases, we needed to restrict the number of employees. In other cases; the courses, because of participant size and instructor ratio were not eligible for reimbursement.

#### **Administrative issues**

Electronic Arts' infrastructure uses PeopleSoft. In order to comply with Legal requirements for ETP, Electronic Arts had to have an 'ETP checkbox' put into every CA employee's PeopleSoft profile. This was time consuming.

Prior to classes, instructors required participants to sign a waiver agreeing to share their information with the State of California. This was a requirement of EA's legal department given the information sharing done by ETP to verify employment. Once our department had the waiver we would have to manually check these boxes in employee's profiles. Although ETP did not require EA to do this, we needed to fulfill the obligations required by our legal department.

Electronic Arts had to provide accurate reports with cumulative employee hours. The EA HRIT department needed to build three reporting tools to generate the information needed to prepare these reports. This was an incremental cost for EA to comply with ETP reporting requirements.

- **What problems, if any, did your company experience with ETP record keeping?**

No problems, however, the reports we submitted to our contractor, John Twomey, were very large. It was not easy for him to go through upwards of 60 pages per report of cumulative data for 100+ employees.

- **What assistance could ETP have provided that would improve the process for future Contractors?**

None identified

- **How did your company benefit from the ETP training?**

Electronic Arts was able to provide technical and management training to a wider range of California employees. This enabled us to have a more effective and productive workforce. This ETP support has helped us retain viable studio locations in Redwood Shores, Los Angeles, and Emeryville. These locations must be competitive in terms of productivity and efficiency with other locations in other states where costs are often lower. An important factor for California locations is retaining their competitive success based on the quality and expertise of their teams. The ETP program was a valuable asset in keeping this competitive edge.

Paul Parquer  
Andy Billings  
Electronic Arts

### **ELECTRONIC RECORDKEEPING:**

Your analyst reviewed a sample of enrollees' training records through EA's LMS as displayed on a laptop provided by the company representative during previous monitoring visits. The ETP analyst confirmed that the EA system captures the class/lab hours and data elements required by ETP including the instructor name and the class/lab trainer/trainee ratio which must be 1:20 or less for regular funding and 1:10 or less for Advanced Technology. Daily hours provided for multiple day courses are not shown in the LMS: just start and end dates. The administrative subcontractor took the total hours for the course as detailed in the LMS and divided those hours over the multiple dates.

Please note that the finding that the ETP documentation is in order is based only on a limited sample of the electronic records. It is EA's responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. These requirements for an electronic record-keeping system were outlined in the letter to you dated 10/26/06.

### **Subcontractor Information Has Been Entered Online:**

Information on 10 training vendors and the administrative subcontractor were entered into the ETP on-line system as required by ETP.

### **INFORMATION ON ETP AUDIT PROCEDURES:**

ETP conducts audits on completed projects on a sample basis. Thus, EA may or may not be audited. Should it be chosen for an audit, you will be notified in writing and informed if the audit will be conducted either at the company site (field audit) or by telephone if selected for a desk audit (or

"review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Diane Woodside, at 650-655-6935 or at [dwoodside@etp.ca.gov](mailto:dwoodside@etp.ca.gov), within ten (10) working days from the receipt date of this letter.

Sincerely,



Creighton Chan, Manager  
San Francisco Bay Area Regional Office



Diane Woodside, Account Analyst  
San Francisco Bay Area Regional Office

cc: Gwen Moore, EA (via email)  
Paul Parquer, EA (via email)  
John Twomey, Integrated Solutions (via email)  
Brian McMahon, Executive Director  
David Guzman, Chief, Program Operations Division  
Kulbir Mayall, ETP Fiscal Unit  
Chuck Rufo, ETP Audit Manager  
Master File  
Project File

Date report mailed to Contractor 10/29/08